



Department of Defense
Service-Disabled Veteran-Owned
Small Business Strategic Plan



In accordance with Section Two of Presidential Executive Order 13360, and in order to significantly increase contract and subcontract award opportunities for Service-Disabled Veteran-Owned Small Businesses, the undersigned Senior Level Executives hereby issue and publish this Strategic Plan for the United States Secretary of Defense.

Handwritten signature of Michael W. Wynne in blue ink.

The Honorable Michael W. Wynne
Under Secretary of Defense for
Acquisition, Technology & Logistics

DATE: May 16, 2005

Handwritten signature of Frank M. Ramos in blue ink.

Frank M. Ramos, Director
Office of Small & Disadvantaged
Business Utilization

DATE: May 9, 2005



Goal: Strengthen Opportunities in Federal Contracting and Subcontracting for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)



Agency Strategy: The Department of Defense (DoD) long-term strategy is a five (5) year plan to significantly increase contracting and subcontracting opportunities for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs). The six (6) objectives of the strategic plan outline DoD's approach to meet the plan's goal.

The term "objective," when used in this plan, is the equivalent of the term "element" used in Executive Order 13360.

This plan supports OUSD (AT&L) goals four and six.

The plan will be reviewed and adjusted annually.



Goal: Strengthen Opportunities in Federal Contracting and Subcontracting for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)



Objectives of Strategic Plan

Increase:

- ✓ Number of SDVOSBs in Central Contractor Registration (CCR)
- ✓ Training and outreach of acquisition community to increase use of sole source and restricted competition
- ✓ SDVOSB participation in the Mentor-Protégé Program
- ✓ Large prime subcontracting awards to SDVOSBs
- ✓ Surety bonding capacity for SDVOSBs with construction and environmental remediation NAICS Codes
- ✓ Teaming agreements and joint ventures to enhance capacity and capability of SDVOSBs



Goal: Strengthen Opportunities in Federal Contracting and Subcontracting for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)



Objective 1: Increase number of SDVOSBs in Central Contractor Registration (CCR)

Description:

- Collaborate with veteran service organizations (VSOs) to increase the supplier base of SDVOSBs in CCR for use by contracting officers and DoD prime contractors

Impact:

- The broadened supplier base will provide program managers, contracting officers and large prime contractors with an enhanced market analysis tool

Schedule:

- FY 05** Reconciliation of VA and DoD databases of SDVOSBs in CCR
- FY 05 and out years** Continue coordinated data sharing with VA and VSOs
- FY 05** Encourage VSOs to assist in registration of SDVOSBs in CCR by October of each year
- FY 06** Reconcile data with interested VSOs
- FY 06 and out years** Annual analysis and review of all SDVOSBs in CCR by industry

Impediment:

- Lack of understanding and knowledge by organizations and individual SDVOSBs of prerequisite to register in CCR

Accomplishments:

Nov 04-Mar 05 SADBU has established an *ad hoc* liaison to share information and establish working relationships with VSOs

Near Term Actions [90 days]:

- Apr 05** Coordinate with Veterans Task Force to develop data sharing strategies with VA and VSOs on SDVOSBs
- Apr 05** Collaborate with VA and VSOs to assist unregistered SDVOSBs to register in CCR
- Jun 05** Register SDVOSBs in CCR at National Veterans Small Business Conference, June 20-22, 2005 via hotlink on SADBU's SDVOSB webpage
- Jun 05** Encourage military services and Other Defense Agencies (ODAs) to register SDVOSBs at their conferences and to add CCR hotlink to websites



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Objective 2: Training and outreach of acquisition community to increase use of sole source and restricted competition

Description:

- Collaborate with Defense Procurement and Acquisition Policy (DPAP) to inform senior level acquisition community leadership of final rule in FAR 19.14
- Coordinate with DPAP to inform acquisition community of training opportunities
- Coordinate with Defense Acquisition University (DAU), military services and ODAs on training opportunities for acquisition community
- Encourage military services and ODAs to initiate credible and aggressive metric based, sole-source and restricted competition awards to SDVOSBs
- Encourage large DoD Prime contractors to subcontract with SDVOSBs
- Include in the military service's and ODA's annual reports the number of personnel trained in FAR 19.14

Impact:

- Create an acquisition workforce that is knowledgeable about the FAR 19.14

Impediments to Completion:

- None

Accomplishments:

- Oct 04** DoD held familiarization outreach on E. O. 13360 at Annual Small Business Training Conference
- Oct 04** SADBUs, DPAP, Army and DAU collaborated and completed online training module
- Dec 04** DoD SADBUs addressed Army Corps of Engineers Annual Small Business Conference on E.O. 13360
- Mar 05** DoD addressed SBLO conference on SDVOSB plan

Schedule:

- FY 05** OSD, military services, and ODAs will provide training and outreach at three annual conferences
- FY 05 and out years** Mentor-Protégé conference (March)
- FY 05 and out years** National Veterans Small Business Conference (June)
- FY 05 and out years** DoD Small Business Training Conference (October)
- FY 05 and out years** Military service's and ODA's Annual plans shall include use of DAU Online SDVOSB training module
- FY 05** Establish Outreach and Training Working Group with military services, ODAs, SADBUs and DPAP
- FY 05 and out years** Update DAU training module with DAU and incorporate into relevant electronic training modules

Near Term Actions [90 days]:

- Apr-Jun 05** DLA and Air Force to conduct outreach and training on SDVOSBs
- Apr-Jun 05** Placement of FAR 19.14 and Mentor-Protégé interim rule on SADBUs website
- Jun 05** National Veterans Small Business Conference, June 20-22, 2005 will have training on use of sole source and set-aside awards under final rule of March 18, 2005



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Objective 3: Increase SDVOSB participation in DoD Mentor-Protégé Program

Description:

- Collaborate with military services and ODAs to develop an initiative to fund select SDVOSBs for consideration in Mentor Protégé Program (MPP)

Impact:

- Accelerate protégé capabilities as a supplier for DoD industrial base
- Bring SDVOSBs into industrial base mainstream

Impediments to Completion:

- Publication of *Interim* DFARS Rule

Accomplishments:

- Nov 04** Large defense mentor initiated contact with SADBUs to increase participation of SDVOSBs in their subcontracting plan
- Dec 04** SADBUs collaborated with DPAP to accelerate the publication of the DFARS *interim* rule to allow SDVOSBs to participate in the DoD MPP
- Mar 05** SADBUs invited SDVOSB candidates to MPP Conference on March 15-17, 2005
- Mar 05** Invited potential SDVOSB protégés to attend National Veterans Small Business Conference, June 20-22, 2005
- Mar 05** Placed MPP panel on agenda for National Veterans Small Business Conference, June 20-22, 2005

Schedule:

- FY 05** Publication of *Interim* DFARS rule
- FY 05** Final agreements between SDVOSB protégés and mentors
- FY 05** DoD National Veterans Small Business Conference to train SDVOSBs with panel on MPP
- FY 05** SDVOSB Mentor-Protégé agreements accepted
- FY 05** Recognize first group of SDVOSB Mentor -Protégé agreements allowable under *Interim* DFARS rule
- FY 06** Publish final MPP DFARS rule
- FY 06 and out years** Continue SDVOSB participation in MPP

Near Term Actions [90 days]:

- Mar-Jun 05** Follow up with first group of potential SDVOSBs who attended MPP Conference on March 15-17, 2005
- Mar-Jun 05** Invite and register SDVOSBs to National Veterans Small Business Conference, June 20-22, 2005
- Jun 05** Conduct panel discussion on SDVOSBs participation in MPP
- Sep 05** Publicize first SDVOSB Mentor-Protégé agreements since passage of the MPP amendments



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Objective 4: Increase large prime contractor subcontracting with SDVOSBs

Description:

- Collaborate with six selected DoD large prime contractors by identifying a pool of qualified SDVOSBs and matching them with subcontracting opportunities
- Negotiate increased SDVOSB subcontracting goals with the selected prime contractors
- Use the data and techniques developed above to negotiate subcontracting goals with all prime contractors

Impact:

- Increase the dollar amount of SDVOSB subcontracting by large prime contractors

Impediments to Completion:

- Availability of qualified SDVOSBs to meet large prime contractor subcontracting goals

Accomplishments:

Oct 04 SADBUs collaborated with Defense Contract Management Agency (DCMA) to initiate plan for large prime contractors to provide subcontract opportunities for SDVOSBs

Nov 04 SADBUs developed strategy for including SDVOSBs in large prime contractor comprehensive subcontract plans

Dec 04 SADBUs approached by large prime contractor to develop a plan for SDVOSB subcontracting plan to use as a model for other large DoD prime contractors

Mar 05 SADBUs initiated action plan with DCMA and VA to increase subcontracting with large DoD prime contractors

Schedule:

FY 05 DCMA assumed lead responsibility for this objective

FY 05 DCMA will provide to SADBUs potential pool of SDVOSBs that can meet DoD prime contractor subcontracting needs

FY 05 DCMA will select six DoD prime contractors to participate

FY 05 DCMA will provide pool of qualified SDVOSBs to DoD prime contractors to match their needs and satisfy their goals

FY 06 DCMA will negotiate increased SDVOSB subcontracting goals with selected DoD prime contractors as part of annual subcontracting plan negotiations

FY 06 and out years SADBUs and DCMA will provide annual evaluation of the plan

Near Term Actions [90 days]:

Apr 05 DCMA will match the VA database of SDVOSBs with SDVOSBs that have other DoD contracts

Apr-May 05 DCMA will identify SDVOSB subcontract opportunities for select DoD large prime contractors

Apr 05 DCMA will notify select DoD prime contractors of pool of qualified SDVOSB subcontractors

May 05 SADBUs and DCMA initiate plan with select large DoD prime contractors

Jun 05 SADBUs and DCMA will present plan at panel with select DoD large prime contractors on June 20, 2005

Sep 05 Plan will be tested in time to use in negotiations with select DoD large contractors



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Objective 5: Increase Surety Bonding Capacity for SDVOSBs in Construction and Environmental Industries to meet anticipated set-aside solicitations

Description:

- Increase the capacity for bid bonds, payment bonds and performance bonds for SDVOSBs to increase contracting and subcontracting awards for anticipated set-aside solicitations under DFARS

Impact:

- Accord acquisition community more latitude for set-aside solicitations to allow SDVOSBs to compete for larger awards

Impediments to Completion:

- Market forces have reduced the amount of bonding capacity at all levels -- large prime construction contractors, as well as small primes and subcontractors
- Several Treasury listed bonding companies have ceased to write surety bonds

Accomplishments:

Jan 05 SADBU coordinated meeting on market forces with prime contractor of Pentagon Renovation (Pen Ren), its subcontractor, a small business trade association, bonding agents and DoD officials

Jan 05 SADBU was appointed chair of a federal interagency working group for SDVOSBs to lead an initiative to increase bonding capacity for small firms

Mar 05 At MPP Conference, SADBU Introduced firm with excess bonding capacity to SDVOSB to explore use of its excess bonding capacity

Schedule:

FY 05 Initiate plan by fusing Bonding Tiger Team with Army Corps of Engineers (COE) "construction strategy" Tiger Team

FY 06 Coordinate with SBA and Office of Advocacy to solicit support for increased bonding capacity

FY 05 Convene Roundtable with large DoD prime construction firms and their sureties to present report and analysis, discuss problem, and develop a plan to solve it

FY 05 Meet with DoD large prime construction firms and their sureties to plan outreach events from Roundtable results

FY 06 Conduct outreach events with COE to implement plan

FY 06 Develop performance metrics to measure progress of plan

FY 06 and out years Submit annual reports to AT&L on metrics

Near Term Actions [90 days]:

Apr 05 Initiate fusion with COE and send Pen Ren report

May 05 Derive benefits of COE field hearings

May 05 Form "Bonding Tiger Team" for action plan with:

- ✓ Pen Ren *ad hoc* group, Army, Navy, Air Force
- ✓ SDVOSB Federal Interagency Working Group
- ✓ Veterans Task Force representative
- ✓ Large primes and sureties representatives
- ✓ SBA Office of Advocacy
- ✓ COE "Procurement and Implementation Tiger Team"

May 05 Convene Bonding Tiger Team Roundtable to discuss report and strategies to increase bonding capacity

Jun 05 Integrate Tiger Team plan with COE "construction strategy" for \$20 billion solicitations for Dec 05 and present plan at National Veterans Small Business Conference



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Objective 6: Use Teaming Agreements and Joint Ventures to enhance capacity and capability of SDVOSBs

Description:

- Encourage the use of teaming and joint venture agreements to enhance capacity and capability of SDVOSBs to successfully bid on larger contracts for prime contracting and subcontracting

Impact:

- Provide acquisition community, under set-aside authority, teaming and joint venture models with enhanced capability and capacity to allow SDVOSBs to compete for larger prime contracts and subcontracts

Impediments to Completion:

- Reluctance of acquisition community to accept small business teaming and joint venture agreements for use in federal contracting and subcontracting

Accomplishments:

Mar 05 Analyzed training marketplace for teaming and joint venture agreements for federal contracting and subcontracting

Apr 05 SADBUI attended two day seminar on "Teaming Agreements and Advanced Subcontracting Issues" to establish "train the trainer" capability for DoD

Schedule:

FY 05 Complete in-house study of SDVOSB teaming and joint venture agreements in federal contracting and subcontracting

FY 05 Develop training for acquisition officials and for SDVOSBs

FY 05 Develop "Teaming and Joint Venture White Paper" to brief senior acquisition officials

FY 06 "Go-no go" on use of teaming agreements

FY 06 FAR changes, if necessary

FY07 and out years Continue training

Near Term Actions [90 days]:

Apr-Jun 05 Collect and review materials on teaming and joint venture agreements, federal contracting, and subcontracting for "train the trainer" capability

Jun-Sep 05 Present teaming and joint venture materials at National Veterans Small Business Conference, June 20-22, 2005.

Sep 05 Transmit "White Paper" to senior acquisition staff for spring briefing



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Other E.O. 13360 Requirements

■ **Publication of Plan:**

When the strategic plan is approved by the Secretary of Defense or his designee, it will be published on the DoD SADBUs website and other DoD websites and transmitted to SBA

■ **Additional duties assigned to DoD:**

SADBUs, DPAP and DAU completed online training module under Section 5 of Executive Order 13360



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Acronyms

- AT&L – Acquisition, Technology and Logistics
- CCR – Central Contractor Registration
- COE – Army Corps of Engineers
- DAU – Defense Acquisition University
- DLA – Defense Logistics Agency
- DoD – Department of Defense
- DFARS – Defense Federal Acquisition Regulation Supplement
- DPAP – Defense Procurement and Acquisition Policy
- E.O. – Executive Order
- FAR – Federal Acquisition Regulation
- MPP – DoD Mentor Protégé Program
- NAICS – North American Industry Classification System
- ODA – Other Defense Agencies
- OUSD – Office of the Under Secretary of Defense
- PEN REN – Pentagon Renovation
- SADBUI – Small and Disadvantaged Business Utilization
- SBA – Small Business Administration
- SBLO – Small Business Liaison Officer
- SDVOSB – Service-Disabled Veteran-Owned Small Business
- SECDEF – Secretary of Defense
- VA – U.S. Department of Veteran's Affairs
- VSO – Veteran Service Organization